

PROGRAM AND POLICY MEMORANDUM-PROTECTION AND SAFETY #4-98

December 13, 1998

TO: Protection and Safety Staff  
IM Foster Care Staff  
Supervisors/Managers of Resource Development  
Service Area Contract Liaisons  
Protection and Safety Legal Team

FROM: Chris Hanus-Schulenberg and Mark Martin, Co-Administrators  
Protection and Safety

RE: Foster Parent Insurance

As of July 1, 1998, the Department's provision of foster parent insurance changed. Rather than purchasing insurance through a private company, the State has moved to a form of self-insurance. The change was made in-order to improve payment of claims and to allow for better data collection to reflect needs and payments. This data will be used to make future improvements that will benefit our foster care program. Basically, the coverage to be provided under the new program is the same as the coverage prior to July, 1998.

Included as part of this memorandum you will find several documents. They are:

- \*FOSTER PARENT INSURANCE PROGRAM, which describes the coverage provided
- \*ACCIDENT REPORTING PROCEDURES, which provides an explanation of the report form
- \*ACCIDENT INVESTIGATION REPORT, which is the form to be completed by the foster parent (The form which is being mailed to foster parents will have the original and two copies so they can send the original to the company, send a copy to the casemanager, and keep a copy. If the foster parent or a staff person need more copies, they can be obtained from Bill Jeppson, Office of Risk Management, Executive Building, 521 South 14th Street, Suite 230, Lincoln, NE 68508, or (402)471-2404.)

All of these documents will be mailed to foster parents the first week in January, by Sedgwick of Nebraska, the company which is adjusting claims.

The following information is provided to give you more detail to assist in answering questions from foster parents about procedures in processing claims.

1. Foster parent, as the insured party, completes the Accident Investigation Report and sends the original to Sedgwick of Nebraska, Inc. and sends a copy to the child's casemanager. When appropriate, the foster parent also files a claim with his or her homeowner's insurance.
2. Sedgwick investigates the claim and makes decision about whether it is a covered loss under the Foster Parent Insurance program.
3. Sedgwick sends written notification of the decision to:
  - a. The foster parent
  - b. The child's casemanager
  - c. Nebraska Office of Risk Management
  - d. Appropriate third parties when the claim involves damage to their property
4. If the incident is covered and involves damage to the foster parent's property, Sedgwick makes a payment to the foster parent for the amount of the claim minus the foster parent's deductible, which is \$50. If the incident is covered and involves damages to the property of someone other than the foster parent, Sedgwick makes a payment to the third party.

If the decision of Sedgwick is that the incident is not covered, and the foster parent is not willing to accept that decision, the foster parent's recourse would be a claim with the State Claims Board.

We are encouraging foster parents to file claims, so that we gather data for future planning.

If you have questions, please contact Margaret Bitz at (402)471-9457, or on profs or CC:Mail.

## **FOSTER PARENT INSURANCE PROGRAM**

As part of the Foster Parent Program, the State of Nebraska offers foster parents protection against claims that may arise as a result of their participation in the foster parent program. The policy offers protection for claims that occur and are reported to the state during the coverage period. **When an incident occurs, please remember to report the incident to your personal insurance carrier and follow the instructions in the Accident Reporting Procedures.** The Accident Investigation Report should be sent to Sedgwick of Nebraska, Inc. at the address shown on the report with copy sent to your case manager.

The following are highlights of the Foster Parent Insurance Program. These highlights are intended as a brief synopsis of the coverage provided by the Foster Parent Program and is not intended to replace specific policy language. The policy language including all applicable coverage parts, supplemental payments, definitions, conditions and exclusions will govern when determining whether coverage will apply.

### **Coverage Period:**

From July 1, 1998 to July 1, 1999 at 12:01 A.M. standard time at the Named Insured's mailing address.

<b><u>Coverage</u></b>	<b><u>Description</u></b>	<b><u>Limit of Liability</u></b>
A.	Bodily Injury and Property Damage	\$300,000 Each Occurrence
	Physical and Sexual Abuse Sublimit	\$100,000 Each "Foster Household"
B.	Personal Injury Liability	\$300,000 Any One Person or Organization
C.	Property Damage to Property of Others	\$250 Each Occurrence
D.	Damage to Your Property	\$5,000 Each Occurrence

General Aggregate Limit - "Each Foster Household" \$300,000 Aggregate

### **Coverage Highlights**

#### **Coverage A: Bodily Injury or Property Damage**

This protects you in the event a foster child in your care is injured and you are sued by the foster child's natural parent or guardian. This also protects you from claims for bodily injury and or property damage done to other persons because of an act by a foster child.

There is no protection for actual or threatened physical or sexual abuse whether committed by an insured under the coverage, any other person for whom the

insured is legally responsible or because of the negligent employment, investigation, supervision, reporting to proper authorities or retention of any person or persons. There is a sublimit available for defense of such allegations.

#### Coverage B: Personal Injury Liability

This protects you in the event you are sued for libel, slander, false arrest, wrongful eviction and alienation of affection of your foster child from his/her parents.

#### Coverage C: Property Damage to Property of Others

This provides you protection in the event a foster child under your care or control damages other people's property regardless of whether you would be legally liable for such damage in court. This is limited protection and does not provide protection for those losses that would be paid under Coverage A.

#### Coverage D: Damage to Your Property

This protects you in the event a foster child in your care or custody damages your property. This is a limited amount of protection for those unintentional property losses that occur. You are responsible for the first \$50 dollars of the cost of repairs.

#### Exclusions

Not all acts or losses are covered by this policy. There are a number of exclusions that affect the protection provided by this policy including the following:

Injury or damage expected or intended by an insured.

Injury or damage arising out of the ownership, maintenance or use of an automobile.

Property damage to any property in your care, custody or control, or to any property owned by, rented to or loaned to you or a person residing in your household. This exclusion does not apply to Coverage D. Damage to Your Property.

Injury or damage by reason of causing or contributing to the intoxication of any person, furnishing of alcoholic beverages or as a result of any statute, ordinance or regulation relating to the use of the sale, gift, distribution or use of alcoholic beverages.

Physical or sexual abuse

Injury or damage resulting from the negligent employment, investigation, supervision, retention or reporting to the proper authorities.

Injury or damage resulting from the transmission of communicable diseases.

### Your Duties in the Event of a Loss

There are certain obligations you have in order for this protection to apply. Generally, you are responsible for the following in the event of a loss.

You are responsible to report all losses as soon as practical. Accident Investigation Reports and Accident Reporting Procedures have been provided to assist you in reporting incidents.

You must forward any notice, summons, demand or legal papers received in connection with a claim.

You must cooperate with the investigation and settlement of any claim including defense against suit.

You must not assume, except at your own cost, any obligation or make any payment without consent.

## ACCIDENT REPORTING PROCEDURES

It is important that insurance claims relating to incidents involving foster children be investigated as quickly as possible. **You, the foster parent, begin the process by first notifying your auto or homeowners insurer and then completing an Accident Investigation Report.** Three copies of the report are needed. The original copy of the report is for Sedgwick of Nebraska, Inc. (the insurance adjuster), one copy is for your case manager and one copy is to be retained for your records. Your case manager can answer any questions concerning the completion of the Accident Investigation Report or direct you to another appropriate person who can assist. The original copy should be sent to:

Mr. Brian Shald  
Sedgwick of Nebraska, Inc.  
10909 Mill Valley Road, Suite 4200  
Omaha, NE 68154  
1-800-486-2152

The primary reason for investigating an incident is to get accurate information about the incident. The information will be used in several ways. First, the report is necessary to start the insurance claims process. Second, the information will also be used to develop a data base that will enable us to further develop a comprehensive foster parent insurance program. Third, the information will be analyzed to help the Department and foster parents to see if steps can be taken to prevent similar accidents. (This type of analysis is called "loss control.")

A thorough investigation of incidents resulting in injury or damage is a key to a successful loss control program. The first step in preventing the reoccurrence of an accident or to reduce the financial impact of an accident is to analyze what happened to see if steps can be taken to prevent the accident from happening again.

The following describes what type of information is needed when completing the Accident Investigation Report.

**ACCIDENT FACTORS:** Please provide the details of what occurred.

Who was involved.

Who sustained injury or damage (including addresses and phone numbers, if known).

What were the circumstances surrounding the incident.

Where did the incident occur.

How did the incident happen.

**ACCIDENT CAUSES:**

In your opinion, were there any factors or extenuating circumstances that contributed to or caused this loss to occur? (Include special needs of the child that might have played a part in what happened.)

## ACCIDENT INVESTIGATION REPORT

Foster Parent Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_

Daytime Phone Number: (    ) \_\_\_\_\_ Home Phone Number: (    ) \_\_\_\_\_

Date & Time of Accident: \_\_\_\_\_

Foster Child Name: \_\_\_\_\_ Date Placed in Your Home: \_\_\_\_\_

Person(s) Injured: \_\_\_\_\_

\_\_\_\_\_  
(If Foster Parent, write same)  
Daytime Phone Number: (    ) \_\_\_\_\_ Estimated Amount of Damages: \_\_\_\_\_

Case Manager Name: \_\_\_\_\_ Phone Number: (    ) \_\_\_\_\_

Was this loss reported to your auto or homeowners insurer? \_\_\_\_\_

### Accident Factors

Describe what occurred (attach a separate sheet of paper if necessary):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Accident Causes

Please describe contributing factors or extenuating circumstances: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

Send form to : Mr Brian Shald  
Sedgwick of Nebraska  
10909 Mill Valley Road, Suite # 200  
Omaha, NE 68154  
1-800-486-2152